13 November 1958

MEMORANDUM FOR THE RECORD

SUBJECT: General Governmental Matters Act of 1959, Public Law 85-468 Title II, Section 202

1. In a discussion with		s assistant25X1A9A
in the Contract Office, Office of Personnel, it was determined that		
there were no technical problems i		
State Department problem generated by Public Law 85-468. These		
contracts would have to be the type received by independent con-		
tractors without accrual of benefit	S.	
2. I asked Mr. Ferchak of th	e Foreign Service Instit	cute to
send me a copy of the contract now used. This he has agreed to		
do. The contract that the State Department uses is a non-personal		
service type contract with no employer-employee relationship; that		
is, no leave, no social security, no fringe benefits. The contract		
is strictly one for service and is based on hourly payment for		
SERVICE. Any other type of contract would be charged to office		
ceiling and would not be desirable.		
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